

From: Rand Crafts
To: Milka Radulovic
Date: Friday, February 06, 2004 5:32 PM
Subject: IPSC Response to ITA Comments

CC: Blaine Ipson
Milka,

I am providing the following info in response to issues raised by the Grand Canyon Trust / Sierra Club comment letter. We are following up with a formal letter and attached documentation for your files.

First, I am responding to the comments regarding the closed permit action for DAQE-049-02, which Grand Canyon Trust is attempting to invalidate as the thrust of their argument:

ISSUE:

AO DAQE-049-02 should have had enforceable and creditable conditions because IPSC was "clearly" netting out of PSD. IPSC must have creditable emissions in order to avoid PSD review.

RESPONSE:

IPSC did not "net out" of PSD. There were no request or need by IPSC to use contemporaneous emission reductions to net out of PSD on the AO. IPSC intended all along to make actual emission reductions for each unit. IPSC clearly stated it's intent to control actual emissions to meet the WEPCO projected representative actual emissions. (See IPSC correspondences to UDAQ, including the 4/4/2001 NOI, the 9/5/2001 NOI clarification e-mail submittal, and other e-mail and fax communications.)

Grand Canyon Trust also mis-uses the term "Netting" in several instances, where they imply that actual reductions in emissions constitute netting. This is, of course, incorrect. However, at one point in its comments, Grand Canyon Trust concede's that net emission increases must be counted against actual emission reductions measured separately.

New enforceable or creditable emission limits are not required under WEPCO except for when contemporaneous emissions are utilized to avoid PSD review. In fact, the preamble to the WEPCO rule (57FR32314) and other guidance and policy documents (See 5/23/2000 Henry Nickle letter in Detroit Edison determination) that specifically state that this is the case.

ISSUE:

Baselines were only calculated for SO2 and PM10. Data should have been compiled for all pollutants for each unit, then tallied together.

RESPONSE:

Pre-NOI Baseline data (for calendar years '99 and '00) were presented for all PSD regulated pollutants at IPP, including HAP's, excepting those not reasonably expected to be emitted from this facility. This data were calculated by totalizing actual emissions from each unit.(See initial 4/4/2001 NOI from IPSC..)

ISSUE:

IPSC did not provide projections for representative future actual emissions required by the WEPCO rule.

RESPONSE:

A full representation of post modification emissions were projected for the 24 month period following the change (annualized) was included in the original 4/4/2001 NOI submittal from IPSC, and adjusted as the proposed project scope evolved. The projections included all PSD Pollutants, including HAPs, that were rasonably expected to be emitted from this facility. (See the 4/4/2001 NOI and associated e-mails and faxes relating to this permit action.)

ISSUE:

Projected representative actuals should include those emissions from increased hours of operations caused by the modifications.

RESPONSE:

IPSC has no history of forced outages caused by issues that the modifications were intended to fix. In fact, most modifications were specific to increasing generation capacity at this facility. There may be some reliability issues

addressed, but all of these were preventative in nature, and not tied to any forced outages. Therefore, no increased hours of operation are attributable to the permitted modifications. (See details of modifications and their purpose in the initial 4/4/2001 NOI, the 9/5/2001 NOI clarification, and associated e-mails and faxes of this permit action.)

ISSUE:

IPSC admits that the modifications will cause a net significant increase.

RESPONSE:

IPSC understands the implications of any net significant increase in emissions and applicability to PSD review requirements. At no time did IPSC show a projection of a net significant increase for any pollutant. IPSC acknowledged in its calculations that an increase in coal flow in and of itself could cause increases in certain pollutants. However, the project scope included methodology to control emissions below significant levels. Although the approach changed throughout the application process, the result was the same: the project would not cause a net significant increase in any pollutant. (See 4/4/2001 NOI and follow-up communications.)

The WEPCO rule and policy allow this. Specifically, representative future actual emission projections can consider the "physical and operational capabilities following the change." (57FR32323) IPSC utilized methodologies available to it as an integral part of the uprate project to control emissions to below significant increases.

ISSUE:

IPSC needed the low-NOx burner replacement to meet WEPCO as part of the project.

RESPONSE:

Although new low-NOx burners were initially considered, IPSC ultimately chose to continue to control NOx emissions within the realm of normal operating methodologies historically available, with slight modification. We had determined, which has been proven out, that NOx is controllable on a per unit basis to levels well below any net significant increase, and modified our NOI approach accordingly.

ISSUE:

The AO included new federally enforceable limits to essentially ensure no significant increase, appearing to make an "allowable to allowable" comparison. UDAQ should have required lower limits to meet WEPCO.

RESPONSE:

New permit conditions with lower federally enforceable limits ensure that the facility potential-to-emit (PTE) does not increase, yet still allow operating flexibility. Limiting all emissions to WEPCO levels at no net significant increases is not practical. The requirement under WEPCO is that there are not any significant increases due to the modifications. Increases not associated with the project are excluded from the net significant increase determinations. Since the uprate project increased capacity, new limits were put in place to maintain current PTE only, and must still be met regardless of whether emissions are from the modification or not.